



TOWN OF NORTH ANDOVER

FINANCE COMMITTEE

Meeting Minutes

Meeting Date: 19 November 2009

Meeting Location: Town Hall, Second Floor
Conference Room

Meeting Called to order: 6:35 PM

I. FinCom Members in Attendance

Mark Rodgers-MR, Chairman	X	Bahrawy Ramsey -RB	X
Peter Besen-PB, Vice Chairman	X	Bonnie Wilkinson-BW	X
Ben Osgood-BO	X	Carlos Bielicki-CB	
Jean Sullivan-JS	X	Thom Dugan-TD	
Alan Lebovidge-AL	X	Herb Cunha-HC, Minutes	X

Non FinCom Members in Attendance

OTHERS: Mark Rees, MRees-Town Manager
Stan Limpert, SL-Chair. School Committee
Chris Allen, CA-School Committee

Note: All FINCOM votes are subject to change upon receipt of new information.

II. Previous Minutes Approved

DATE: 5 Nov 2009 Approved, Unanimous

III. New Business

AGENDA ITEM: A. Purchasing Manager Update-Mark Rees

Discussion: -MRees: Read a draft report describing the matters and actions of the Purchasing Manager (PM), regarding the criminal allegation. Mark will read report at BOS meeting next Monday. On 2 November 2009, there were resident concerns for the sale of surplus equipment. Checks for payment were made out to the PM, by name, which is not supposed to take place. The Police Chief Stanley was notified, and on Thursday, 12 November, after conducting an investigation, reported that there was truth to the allegations. There was proof of checks for payments. Mark stated that the Police have done a fantastic job of investigation. Mark got legal advice and the PM has been placed on unpaid leave. Fortunately queries about the Town's financial procedures show that the procedures are adequate and are in place, safeguards are in order and have been/being followed. Background check of the PM at the time of hiring did not show any questionable background. Policies governing disposable materials will be strengthened. At this time, an estimated \$30k has been embezzled.

AGENDA ITEM: A. Purchasing Manager Update-Mark Rees, continued

- Discussion:
- AL: Asked if there were any findings in previous audits.
 - MR: Stated that less than \$300k is not audited.
 - MRees: Stated that only assets over \$25k are tracked.
 - PB: Asked if individuals procuring stolen property-do those deals get reversed.
 - MRees: He stated that purchases are under investigation. We do have liability insurance.
 - AL: Asked if Andover has a policy about this.
 - MRees: He indicated that Andover has an anti-fraud policy which he is reviewing.

AGENDA ITEM: B. Audit Committee Discussion

- Discussion:
- An audit committee is being formed; currently R Nardella, BOS, and Chris Allen, School Committee are members, another member will join who will be a citizen.
 - MRees: He mentioned that Town Accountant, Lynne Savage, was asking for and looking for documents earlier for the assets in question.
 - BW: She mentioned that events like this do get reported, based upon here financial background knowledge.
 - SL: There was discussion about the handling of cash; process currently in place at the school is very manual.
- Note: The Town does not have an electronic payment system.
- MR: He said that Mass Privacy Law in March 2010 will govern and place fines on towns for breach as well the Government. Information addresses association of documents and control, computers, individual identity, social security number, etc.
 - BR: Asked about laptop computers, and if assigned school members take them home.
 - SL: Teachers have computers and can take them home.

AGENDA ITEM: C. Revenue and Fixed Cost Update

- Discussion:
- JS: Referred to year 2011, and that Committee had two meetings. First December with Lynne Savage who will have the information. Revenue does not look good based upon what has been heard about what the State is thinking. Revenue includes income interest, and decrease in expense state aid.
 - BO: Stated when Final Report Revenue and Fixed Cost is due, 21-28 December.
 - MRees: Mentioned that revenue permits, \$100k, looks good. During 1999-2007 approximately \$1M/year, from development, dropped about 1/3 plus since then.

AGENDA ITEM: D. Forecast Assumptions

Discussion: -MR: He will have forecast for next meeting.

AGENDA ITEM: E. New Business-Tri-Chair, Budget Policy Discussion

Discussion: -Both SL and MR attended and discussed Budget Policy, cash management, health insurance and the trust fund. Approximately 10%, no increase in claims. The balance in the fund has declined, exp \$1.8M.
-MRees: Last year claims went down 4%.
-CA: Discussed change in premium payment percentages, savings are on Municipal side, desire savings can support earning, in school.
-MRees: This can be voted on at Town Meeting, for this savings to be available to School Committee.

AGENDA ITEM: F. New Business

Discussion:

III. Old Business/Non-Agenda Items

NON-AGENDA ITEM:

Discussion: **Poles on Common:**
-PB: He questioned poles on common.
-MRees: Not yet resolved.

IV. Next Meetings

Thursday, 10 Dec 2009 Town Hall, 1st Floor, 6:30 PM

V. Adjournment

Motion: AL
Seconded: BR

Unanimous
Time: 7:35 PM

ACTION ITEMS

C=Complete

[illegible]